



**BEFORE THE CALIFORNIA PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

FILED

02-26-07
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In the Matter of the Application of the Golden State Water Company (U 133 W) for an order authorizing it to increase rates for water service by \$1,107,200 or 52.69% in 2008; by \$69,900 or 2.17% in 2009; and by \$145,400 or 4.43% in 2010 in its Los Osos Customer Service Area

Application No.

07-01-012

**GOLDEN STATE WATER COMPANY
NOTICE OF COMPLIANCE**

AFFIDAVIT OF MAILING AND CERTIFICATE OF SERVICE

Ronald Moore

Senior Regulatory Analyst
Golden State Water Company
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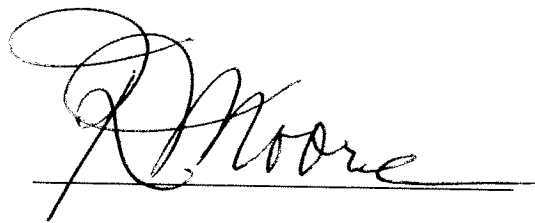
February 23, 2007

AFFIDAVIT OF MAILING
(45-Day Notice)

Notice of Application for Rate Increase by
Golden State Water Company
Los Osos Service Area
Request for Public Comments
Application No. 07-01-012

RONALD MOORE, deposes and says: That he caused to be mailed, postage paid to each water customer of Golden State Water Company in the territory of the Los Osos Cordova Service Area, on February 20, 2007, Notice of Application for Rate Increase by Golden State Water Company Los Osos Service Area Request for Public Comments Application No. 07-01-012, a copy of which is attached hereto and hereby made part of this affidavit.

I declare under penalty of perjury that the foregoing is true and correct. Executed at San Dimas, California, on February 23, 2007.

A handwritten signature in cursive script, appearing to read 'R. Moore', is written over a horizontal line.

Ronald Moore

**Notice of Application for Rate Increase by
Golden State Water Company
Los Osos Service Area
Request for Public Comments
Application No. 07-01-012**

Dear Customer,

The California Public Utilities Commission ("Commission") is seeking public comment on Application No. 07-01-012 by the Golden State Water Company ("GSW") to increase rates for water service in 2008, 2009 and 2010. As part of its decision-making process, the Commission is interested in your comments on any aspect of the company's operation including proposed rates, service quality or any other issue of concern.

GSW has filed an application with the Commission requesting authorization to increase revenue in the Los Osos Service Area by \$1,107,200 or 52.69% over present revenues for 2008, an increase of \$69,900 or 2.17% in 2009, and an additional increase of \$145,400 or 4.43% in 2010. GSW contends that the increase in rates is necessitated by the effects of the Company's investment in water system improvements, as well as increased operating costs for items such as the cost postage, liability insurance, depreciation, materials, purchased services, cost of capital, the General Office allocated costs, labor and taxes.

If the application is approved with the proposed rate increases, the effect on a commercial or residential customer on Schedule No. LO-1 with a 5/8" x 3/4" meter, using 15 Ccf per month will be \$25.69 or 53.62%, an increase from \$47.91 to \$73.60 per month for 2008. The rate change for 2009 would be an increase of \$1.50 per month or 2.03% and the monthly change for 2010 would be \$2.98 or 3.97%.

The effect on a residential customer on Schedule No. LO-1 with a 5/8" x 3/4" meter, using 11 Ccf per month will be \$21.21 or 52.72%, an increase from \$40.23 to \$61.44 per month for 2008. The rate change for 2009 would be an increase of \$1.36 per month or 2.21% and the monthly change for 2010 would be \$2.46 or 3.92%.

Obtaining a Copy of the Application

A copy of GSW's Application No. 07-01-012 and related exhibits may be examined at the following GSW locations:

- GSW General Office located at 630 East Foothill Blvd., San Dimas, California 91773;
- Los Osos Customer Service Area Office located at 1140 Los Olivos Avenue Los Osos, California.

Copies are also available for review at the California Public Utilities Commission offices at 320 West Fourth Street, Suite 500, Los Angeles and 505 Van Ness Avenue, San Francisco.

Public Comment

Written public comment by GSW customers is very much desired by the Commission and may be sent to the Public Advisor's Office. The Public Advisor's Office was established to assist members of the public who want to participate in Commission proceedings. If you wish to participate or comment on this application, please contact the Commission's Public Advisor's Office, 320 West 4th Street, Suite 500, Los Angeles, CA 90013, or by e-mail to public.advisor.la@cpuc.ca.gov. Please state that you are writing about Golden State Water Company Application No. 07-01-012.

Your comments will become part of the formal correspondence file of the proceeding and will be circulated to the assigned Administrative Law Judge, appropriate Commission staff, and to the Commissioners. Comments will also be tallied and the numbers received will be reported to key Commission staff on a regular basis.

The Commission may schedule a formal evidentiary hearing. An evidentiary hearing is devoted to analyzing the need for the proposed rate increase and the allocation of any approved increase among different classes of customers. At these hearings the Commission will receive the expert testimony of GSW, the Commission's independent Division of Ratepayer Advocates ("DRA"), and other interested parties. The DRA staff consists of engineers, accountants, economists, and attorneys who independently evaluate the proposals of utilities and present their recommendations to the Commission.

When the Commission acts upon the decision, it may adopt all or part of it as written, amend or modify it, or set it aside and prepare its own decision. The Commission's final decision may be quite different from GSW's request. The Commission may authorize interim rates if the final decision in this application does not go into effect on January 1, 2008. When the Commission issues its final decision, any difference between the final rates and the interim rates will be either refunded or recovered from GSW's customers in the future.

If you need additional information, you may call the Golden State Water Company Customer Service Center, toll free, at 1-800-999-4033, 24 hours a day.

Si necesita asistencia en Español, tenemos representantes de servicio al cliente disponibles para ayudarle cuando lo solicite.

GOLDEN STATE WATER COMPANY

CERTIFICATE OF SERVICE

I hereby certify that on this 23rd day of February 2007, I caused to be served, a true and correct copy of the foregoing.

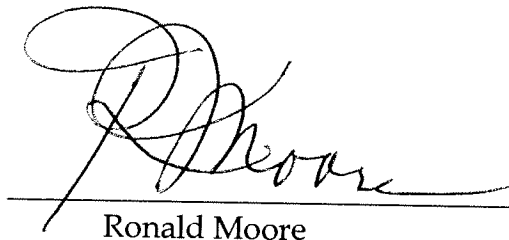
**Notice of Application for Rate Increase by
Golden State Water Company
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Request for Public Comments
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To be served on the parties on the attached service list and to the parties below via U.S. Mail delivery:

**Commissioner Dian Grueneich
California Public Utilities Commission
State Building, Fifth Floor
505 Van Ness Avenue
San Francisco, CA 94102**

**Administrative Law Judge Regina DeAngelis
California Public Utilities Commission
Division of Administrative Law Judges
Room 5005
505 Van Ness Avenue
San Francisco, CA 94102**

Executed this 23rd day of February 2007



Ronald Moore

GOLDEN STATE WATER COMPANY

DISTRIBUTION LIST

LOS OSOS DISTRICT

Arroyo Grande Municipal Water Dept.
P.O. Box 550
Arroyo Grande, CA 93420
(805) 489-1303

Morro Bay City Water (City Hall)
595 Harbor Blvd.
Morro Bay, CA 93442
(805) 772-1214

S & T Mutual Water Co.
P.O. Box 6391
Los Osos, CA 93412

County Counsel
County of San Luis Obispo
Room 386 County Government Center
San Luis Obispo, CA 93408

Los Osos CSD
2122 - 9th Street
Los Osos, CA 93402
Attn: Bruce Buel

Cambria Community Services District
1316 Tamson Drive, Suite 201
P.O. Box 65
Cambria, CA 93428

San Luis Obispo City Water
955 Morro St.
San Luis Obispo, CA 93403
(805) 549-7132

LAFCO
County Admin. Office #370
County Government Center
San Luis Obispo, CA 93482

California Dept of General Services
Office of Buildings and Grounds
1304 "O" Street, Suite 300
Sacramento, CA 95814

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State of California
300 South Spring Street
Los Angeles, CA 90013